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UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION

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## REA PRESS DIGEST

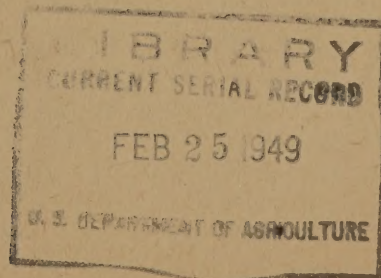
FIRST CHRISTMAS LIGHTS FOR MANY RURAL HOMES, *Athens Daily Review*, Athens, Texas, Dec. 20 -- Almost a half-million rural families have electric lights on their Christmas trees this year for the first time because of the loan program of the U. S. Department of Agriculture's Rural Electrification Administration.

Preliminary figures released by REA today indicate that the nearly 1,000 local power systems financed by REA added between 475,000 and 495,000 new consumers during 1948. That number of family consumers represents nearly two million persons, or about as many people as live in Philadelphia, or in the whole state of Kansas. It is by far the largest total ever connected in any year by REA borrowers.

New construction is proceeding as fast as weather conditions and the supply of materials and manpower permit. About four million rural families still remain without central station electric service. Of this total, about half are families who live in rural areas, although they are not engaged in farming.

For the first time 402 new consumers of the New Era Electric Cooperative will have electric lights on their Christmas trees, according to V. G. Seibt, manager.

(Similar stories have appeared in many newspapers, including The Washington (D. C.) Post, and Mexico (Mo.) Evening Ledger.)





LIGHTS ON THEIR CHRISTMAS TREES FOR FIRST TIME, Editorial, Mexico Evening

Ledger, Dec. 22--A dramatic race against time is being run on the prairies of Audrain and northern Montgomery counties.

REA crews from Mexico are doing their best to connect up new farm members. . . so the youngsters can have lights on their Christmas trees.

This is more than a mere race. It's a day-to-day revolution happening under our noses...and how many of us realize it?

Not enough of us. Electricity for farms is changing rural life beyond the fondest dreams of those men who pioneered the project back in 1938.

At that time, these men of vision sold farmers on electricity so that they could have lights.

Today 2,500 farm families in Audrain, Montgomery, Pike and Monroe counties have lights. . Within two more years, 5,100 farm families will have lights.

But that isn't all.

Lights are only one minor detail of the project now.

Life, itself, on these farms has been revolutionized.

No longer do these farmers take baths in wash tubs in the kitchen, carry water in the house, use outdoor Chick Sales, and endure all the rest of old-time rugged farm life.

Today, with electricity, farmers have electric pumps, bath tubs, flush toilets, washing machines, home freezers, stoker and oil furnaces, electric blankets, electric dishwashers, air conditioning milk coolers, drill presses, tool grinders, corn shellers, air compressors. . . and all the rest that goes with better living anywhere.

The farmer has electricity working for him. It means the farmer and his family have more time for better living. It means more and more kids growing up with the avowed intention of living on the farm, instead of going to the city.

It means lights on Christmas trees.

What does it cost?

Average monthly bill for REA members is approximately \$5.40. A farmer can't afford to do without electricity.

And who sells farmers electric equipment? Merchants in Mexico and elsewhere. . . thereby improving their own standard of living.

Rural electrification is revolution. A dramatic, thrilling, wonderful revolution happened under our very noses.



ELECTRIC UTILITIES PLAN OWN DEFENSE, N.Y. Times, Dec. 12, 1948----

A spirit of aggression, screened by caution, is developing in the \$16,000,000 private electric utility industry.

Several indications of this revitalized opposition to problems that have beset the nation's power companies were disclosed last week in talks with top executives.

An official of the usually quiescent Edison Electric Institute said yesterday that at a meeting of the board of directors it was proposed for consideration of members that a broad program of public information be adopted by local utilities to "refute misinformation contained in biased utterances of many proponents of Government ownership." While operational details still are being formulated, it was learned that the membership, which constitutes the bulk of the industry, would contribute one-thirty-fifth of 1 percent gross annual revenues to support the information program.

The private power companies still are smarting from an attack made by the American Public Power Association. In October that organization charged that they pay proportionately more taxes and are better managed than the private systems. A refutation of the charges is expected soon from the Edison Electric Institute.

On another private power front the National Association of Electric Companies, a registered lobby organization maintained by about 60 per cent of the private utilities, will intensify its activities on Capitol Hill in Washington during 1949, particularly in opposition to the construction by the Tennessee Valley Authority of a steam plant at New Johnsonville, Tennessee. This was a vigorously debated issue early this year, and in May President Truman himself urged the Senate to restore the House-killed \$4,000,000 needed to begin construction of the project on the basis of national defense. Representative Estes Kefauver, now Democratic Senator-elect from Tennessee, introduced a bill in July calling for the initial appropriation.

In a discussion of the NAEC's plans P. L. Smith, its president, said here that the association would file soon with the House Ways and Means Committee "complete and specific" recommendations for equality of taxes between private and public power, and that its members would urge repeal of the 3 1/3 per cent Federal electric energy tax. The power companies have been paying the tax since 1933, following a year's imposition of it on the consumer. Mr. Smith has estimated that the average burden per dollar of net income is about 25 percent larger for electric utilities with operating revenues of less than \$1,000,000 than it is for utilities with revenues of more than \$15,000,000.

For its support this year Mr. Smith estimated that the NAEC will have received about \$315,000 from the 106 member companies. In 1947 they contributed \$305,000, and for 1949, he said, the cost would be about \$330,000. The member companies are charged 2 cents a meter, but not more than \$15,000 is paid annually by any one company in the association. The NAEC was organized in August, 1945, and since that time numerous industry representatives have appeared before various Congressional committees testifying against proposed Federal power project expansions, and tax matters. In many of these instances the witnesses are briefed by the NAEC, which follows closely measures affecting utility legislation.



Still another group within the industry is the Electric Companies' Advertising Program, and while estimates of its expenditures were not available from industry spokesmen, sources close to ECAP said \$1,000,000 a year could be considered an approximation of the cost to ECAP. This group is composed of about 170 companies, and sponsors a half-hour weekly radio program on a major network, featuring stage and screen personalities. It also advertises extensively in popular periodicals.

In all of these programs and plans are the industry's efforts to heed the warning voiced by J. B. Thomas, president of the Texas Electric Service Company, at the EEI convention in Atlantic City last June. He urged, as a requisite of survival, that the industry "get into the fight between private enterprise and socialism and the collectivism exemplified by governmentally financed projects."

Indicative of thinking in the legislative department of the Government, Senator Dennis Chavez, Democrat, of New Mexico, who may head the Senate Public Works Committee in the Eighty-first Congress, said recently that the committee's members had a "genuine knowledge and understanding of the needs in water power" projects. Also, Senator James E. Murray, Democrat, of Montana, plans to introduce a new Missouri Valley Bill without "unnecessarily long hearings".

MORE REA LOANS FOR GENERATION, TRANSMISSION INDICATED BY WICKARD, Electrical World, Nov. 27, 1948 -- Rural Electrification Administration will not change its lending policies as a result of the recent election. At least, that's what top officials of the agency are saying.

This doesn't mean that REA will continue to make loans for generating and transmission facilities at its present rate -- a little over 11% of loan funds approved to date were for that purpose. It may make such loans in increasing numbers in the future.

REA Administrator Claude Wickard suggested as much in a speech, Nov. 17, at Fargo, N. D. REA-financed cooperatives are having increasing difficulties in obtaining "reliable wholesale power at the lowest possible cost," Wickard told a farm organization audience.

One solution to this problem, he pointed out, was the construction of generating plants by the co-ops. But REA will provide funds for such plants, he said, "only when they are necessary to provide plenty of power or to effect a saving. We do not make such loans if the commercial power companies give assurance of providing adequate power (to the co-ops) at a cost as low as, or lower than, the cost at which cooperatives can generate and transmit it themselves."



REA CO-OPS LOOK TO U. S. FOR MORE AID IN MISSOURI POWER SHORTAGE, St. Louis, Post-Dispatch--Missouri leaders of rural Electric co-operatives are looking forward to more help from the Federal Government in fighting the state's power shortage, since President Truman was re-elected.

What they expect in particular is a more liberal policy on Government financing of generating plants and transmission lines to carry Government-generated hydro-electric power to the co-ops.

This question is of particular interest to Truman's home state where a power shortage has existed for some time and is expected to become worse as farmers use more labor-saving electrical equipment and more farms are reached by highlines.

Opponents of public power programs have been very active in the last two sessions of Congress. They have succeeded in having appropriations for the Southwestern Power Administration cut almost to the vanishing point and in obtaining a congressional restriction requiring that REA give 30 days' notice before granting a generating loan. The co-ops feel that both of these restrictions are handicaps.

The Missouri co-op leaders feel that the 30-day notice has discouraged REA from making generating loans except in the most extreme cases and weakens the position of co-ops seeking such loans. They feel, too, that giving of such advance notice is a tip-off to private utilities in the area of a proposed plant, and encourages the power companies to fight the co-op plans. They hope to see this notice requirement removed.

Moreover, a large number of anti-public power bills have been drafted and are ready for consideration by Congress, and the Missouri rural electrification leaders hope that the new predominantly - Democratic Congress will not adopt them. One of the central issues in these bills is a requirement that federally-generated power be sold at the dam -- presumably to private utilities which have the lines to reach the dams. Another involves efforts to weaken the powers of the Federal Power Commission.

Both in his campaign speeches and before the campaign, Truman has repeatedly called for development of public power projects, more valley authorities and transmission lines necessary to make effective the present policy of selling government power to co-ops, municipalities, and other public bodies as preferred customers.

Private power companies have not only opposed the SPA fund requests but have attempted to keep the Missouri co-ops from obtaining funds to build their own power plants and transmission lines.



The co-ops of the state have been scraping at the bottom of the barrel on power supplies, and paying high rates in some areas, for several years. They now have hopes that it will be possible to bolster the present power sources adequately to meet the expected needs of farm users during rapid growth in use of electricity for farm production during the next five to 10 years.

"DOWN THE LINE" OF THE REA, Owensboro (Ky.), Owensboro Messenger, Nov. 16--  
As far as it goes the "Down the Line" trade magazine of the Green River district R.E.A. is a newsy little publication. And it goes far enough to keep the thousands of members of the local rural electric cooperative informed on what is being done in this territory. And "Down the Line" doesn't stop in Daviess county, nor this side of Green river. Lean, Ohio, Hancock, and later others may be included. The Green River REA is a sprightly youngster of ten years, and its lusty youth would have been more demonstrative had not a war slowed its growth. In terms of miles and farms and homes and people benefitted the total is huge. The local unit is operated from brand new headquarters near the railroad alongside south Allen street.

Could a prosperous and far-visioned farmer of a half century ago be permitted to return visit to the earth he left enwrapped in darkness, he would be stunned by flashes of lights on and off, and farm homes ablaze with lights, and household appliances moving quietly to lighten the load that old-time farmers carried without protest, for there was no other way until the magi came and dark gave way to light, tiresome toil to tireless manipulation with electricity.

Nor is that more than a start - the housewife cooks and sews and cans and impounds fruits and vegetables from the farm, and where the cows are several the farmer takes over that task with an electrically operated milking machine. Where cattle are fed in herds the farmer grinds the grains set apart for feed, and the corn is made into ensilage and the latter lifted high into the once called "watch-towers of prosperity" when silos were first being built as repositories for stock farms. The REA member has a multitude of uses for the current that is brought to him and his fellow members on wires from a central station. By day and by night the lights are on, and machines are kept attached, and demands for electric power as aids to progress are being met by the REA.



# BIG GENERATING PLANT SET FOR DISTRICT, Martins Ferry-Bellaire (Ohio)

Times-Leader, Nov. 11 -- Six electric cooperatives are participating in a plan to build a \$12,000,000 generating plant in Eastern Ohio, according to an announcement made today by Harry L. McAllister, manager of the Belmont Electric Cooperative, Inc., of St. Clairsville.

A formal application for funds to build the plant and transmission lines was filed with the Rural Electrification Administration in Washington last week, McAllister said.

Site of the proposed plant has not been announced pending REA approval of the loan.

The cooperatives participating in the plan are the Belmont Electric of St. Clairsville, Washington Electric at Marietta, Carroll Electric at Carrollton, Guernsey-Mauskingum at Concord, Tuscarawas-Coshocton at Coshocton and Licking Rural Electric at Licking.

The St. Clairsville co-op has been elected to head the movement, according to McAllister.

Prior to filing the application the Burns & McDonald engineering firm of Kansas City was hired to make an analysis and report on the feasibility of the proposed plant.

The engineer's report showed that in addition to having adequate power available, the co-ops could definitely save money over a period of years. The report showed that conservatively at least \$2,000,000 could be saved the first 10 years of operation and at least \$3,000,000 during the second 10 years.

The loan would cover a period of 75 years and would be amortized on that basis. According to McAllister the savings alone would justify the loan, and in view of the nationwide power shortage the co-ops would also be assured of having enough power for their own use.

## 20-YEAR POWER CONTRACT ASSURES SUPPLY FOR REA, Deschutes County, Ore.,

The Redmond Spokesman, Nev. 25 -- Word that as of midnight Sunday the Central Electric Cooperative had started drawing its entire power supply direct from Bonneville was announced here Monday at the annual meeting of the organization.

The Bonneville contract is for 20 years. It guarantees to furnish a firm supply of up to 2500 kilowatts, and such additional power as may be needed if available. At present the cooperative with its 1166 members and 428 miles of line is using about 1000 kilowatts.

Delivered price to the co-op system is to be  $3\frac{1}{2}$  mills per kilowatt-hour, which is about 60 per cent less than the 8.933 mills the co-op has been paying. The co-op's power bill for the first 10 months of this year was \$23,792. The new Bonneville rate would mean a year's saving of about \$16,000 on this basis, it was brought out.



HIGHER POWER RATES LIKELY, Spokane, Washington, The Spokesman Review, Nov. 29 -- (A.P. story from New York) The electric power industry today saw a possibility of increases in rates, which have been on the decline since shortly after the first world war.

Edison Electric Institute, trade organization of the nation's privately owned power companies, took its first official published recognition of a possible rate increase in an "information booklet".

The Institute said the price of electricity for residential use has declined to a point 11 per cent below the 1935-39 base used by the bureau of labor statistics in its consumer price index.

And while the electric rates have been declining, the Institute adds, the overall cost of living average has increased 61 per cent.

"Postwar conditions have brought the cost of all elements entering into the production and delivery of a kilowatt hour of electricity to heights far exceeding any previously reached," the booklet said.

"It is likely that this inflationary pressure will halt or even necessitate a reversal - small compared with other price increases - of the past trend in the price of electricity."

REA CO-OP STARTING 92 MILES OF NEW LINE TO SERVE 284 FAMILIES, Newport(Wash.), Newport Miner, Nov.19 -- Work has started by the Pend Oreille Electric Cooperative on "F" Section of Project B contract of 1946 originally calling for 206 miles of new line. This section was delayed because of lack of funds and available materials. The half million dollar loan allocated last May and finally approved in August makes this new construction job possible. The cooperative has been stockpiling necessary materials the past two years, Manager Walter McKay told The Miner. The new 92 miles of line is being built by force account by the local cooperative.

The 92 miles of new lines is broken up into 53 short extensions of from one to three miles each on the ends of present lines. Among the communities to be served are Blanchard, Camden, Elk, Milan, Mt. Spokane, Furport, Calispell Indian Reservation, Lost Creek, Fan and Horseshoe Lakes and Ione.

When completed, the new extension will serve 284 additional farm homes. It will bring the convenience of electricity to these rural homes and will put these families in the market for modern appliances of all kinds.

The new extension service will make the co-op's operating area approximately 90 per cent electrified.



EAST CENTRAL ELECTRIC INSTALLS RADIOPHONES, Pine Poker-Pioneer, (Pine City, Minn.), Nov. 26 -- Beauford Johnson, manager of the East Central Electric Association, announces the completion of the Motorola ~~radio~~ two-way communication system between the East Central Electric offices at Braham, Cambridge, Milaca, Pine City and Rush City and the trucks.

The community that East Central Electric serves will notice very shortly an improvement in service to its consumers with the use of two-way radiotelephone. Many things as outages, where power in the past may have been off for as long as one or two hours, can now be cut down to fifteen minutes excluding unforeseen damage. Ten trucks are equipped with Motorola two way radiotelephone, any of which can talk directly to the dispatcher in the East Central Electric offices. The office can call any of its trucks by merely pressing a button and talking into the microphone. Also, the trucks have a direct communication with each other so that many line failures can be kept to a minimum.

Moreover, for the community surrounding Pine City is directly benefitted in any case of emergency where all communications might be disrupted such as severe sleet or snow storms. This two way radio-telephone system could be used to communicate with many other stations and any necessary help or supplies could be brought in. Therefore, it eliminates the fear that this town or its community surrounding it could be isolated from the rest of the state due to weather conditions.

FARM BUREAU SCORES RURAL PHONE SERVICE, Memphis(Tenn.) The Commercial Appeal, Nov.18-- (from Nashville) The Tennessee Farm Bureau Federation threatened Wednesday to support Federal ownership of rural telephone facilities if private companies do not improve their service.

The threat came as delegates to the 36,000 member organization's annual convention adopted a series of resolutions on the final day of their meeting.

"The Farm Bureau prefers," a unanimously adopted resolution stated, "that rural telephone service be developed through private companies if they can and will do it satisfactorily."

The resolution added, however, that "the program is going too slow and the pressure is growing to get more telephones and better telephone service."

Expressing gratification of Tennessee farmers over the work of the Rural Electrification Administration in making electric power available to farm families, the resolution added:

"They also want rural telephones and will not stand for too much delay without asking for a try at a rural telephone administration."



